NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (06/11):
BUTTER: Grade AA closed at $1.5000. The weekly average for Grade AA is $1.5017 (-.0008).
CHEESE: Barrels closed at $1.3150 and blocks at $1.3550. The weekly average for barrels is $1.2935 (+.0097) and blocks, $1.3295 (+.0326).
NONFAT DRY MILK: Extra Grade closed at $1.0100 and Grade A at $1.0500. The weekly average for Extra Grade is $1.0100 (N.C.) and Grade A is $1.0500 (N.C.).

BUTTER: The market tone is unsettled. Recent CME cash trading price declines, advance, and the more recent price decline is causing butter producers, handlers, and buyers to question their production, marketing, and purchasing plans. Stock levels vary from coast to coast. A number of manufacturers, brokers, and end users are releasing some of their inventories as they see opportunities for short term profits. Demand ranges from seasonally fair to quite strong depending on marketing area. Some retail stores are featuring butter during June Dairy Month and are realizing good butter clearances.

CHEESE: The cheese market is firm, though many traders remain skeptical about the need for higher prices when production is around the annual peak. Current movement remains good but not exceptional. Cheese production remains above year ago levels. Cheese yields have declined in many areas as fat and protein levels have dipped seasonally. Estimated cumulative cheddar cheese output during the first 4 months of 1999 totals 964.2 million pounds, up 67.4 million pounds (7.5%) compared to the same period in 1998. Total cheese output during the first third of 1999 totals 2.6 billion pounds, up 126 million pounds (5.1%) from the same period last year.

FLUID MILK: Hot and humid late spring weather conditions prevailed over much of the country this week. These weather conditions are having varying affects on milk production from coast to coast. In the Northeast, milk handlers report receipts to be holding steady at strong levels, but indicate that if these conditions continue, they anticipate milk volumes to decline. In the Southeast, hot weather continues to linger and is now starting to take its toll on cows and milk production. Temperatures in the Central part of the country are also very warm and humidity levels are high for this time of the year. Hot weather continues in New Mexico and Arizona. In Arizona, the lack of humidity is allowing for better cow comfort levels and milk is off only slightly. New Mexico weather is more humid and milk is coming down at the producer level. In California, cooler than normal temperatures are allowing milk output to hold mostly steady. In the Pacific Northwest, weather conditions have been cooler and wetter than normal. The fluid cream market is quite strong. Ice cream production is building seasonally, spurred by hot temperatures and the summer vacation season. Due to strong Class II demand, churning schedules are lighter.

DRY PRODUCTS: Nonfat dry milk markets are basically steady at unchanged prices. Buying interest is mainly limited to fill-in needs on a spot basis as buyers see little potential for upward movement. Some DEIP sales are being made as exporters procure powder to meet their bid acceptances. Surplus NDM continues to clear to CCC from Western and Midwestern producers. Buttermilk powder markets remain weak with prices generally unchanged. Production levels are down at most plants as churning is slower and demand for liquid buttermilk improves. Whey markets are steady with prices unchanged to fractionally higher. Demand for whey is improved now that buyers believe prices won't go any lower and they are looking to make some purchases before prices climb.

CCC: During the week of June 7 - 11, CCC net purchases of nonfortified NDM totaled 8,346,476 pounds and 118,457 pounds of fortified NDM. This was the first purchase of fortified powder since 1992.

MAY AGRICULTURAL PRICES HIGHLIGHTS (NASS): The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in May 1999 advanced 1 point to 117. Compared with May 1998, the index was unchanged. The index of prices received by farmers for dairy products advanced 3 points during the month of May 1999 to 99. Compared with May 1998, the index was down 4 points (3.9%). On a 3.5% butterfat basis, prices received by farmers in May with changes from April were: for All Milk, $12.79, up 34 cents; Fluid Grade Milk, $12.79, up 33 cents; and for Manufacturing Grade Milk, $11.37, down 26 cents.

APRIL DAIRY PRODUCT HIGHLIGHTS (NASS): Butter production was 106.4 million pounds in April, 0.6% less than April 1998 and 6.4% lower than last month. American type cheese production totaled 318.6 million pounds, 10.6% above last April and 0.8% heavier than March 1999. Total cheese output (excluding cottage cheese) was 672.6 million pounds, 5.2% more than April 1998, but 2.8% lower than last month. Nonfat dry milk production, for human food, totaled 133.6 million pounds, 11.6% heavier than April 1998 and 4.0% more than last month. Dry whey production, for human food, was 92.0 million pounds, 2.0% more than last April, but 3.5% lighter than last month.

****SPECIALS THIS ISSUE****

CHICAGO MERCANTILE EXCHANGE CASH TRADING

CHEESE: carload = 40,000-44,000 lbs., NONFAT DRY MILK: carlot = 42,000-45,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY JUNE 7	TUESDAY JUNE 8	WEDNESDAY JUNE 9	THURSDAY JUNE 10	FRIDAY JUNE 11	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE							
BARRELS	$1.2775 (-.0025)	$1.2775 (N.C.)	$1.2900 (+.0125)	$1.3075 (+.0175)	$1.3150 (+.0075)	+.0350	$1.2935 (+.0097)
40# BLOCKS	$1.2975 (N.C.)	$1.3100 (+.0125)	$1.3325 (+.0225)	$1.3525 (+.0200)	$1.3550 (+.0025)	+.0575	$1.3295 (+.0326)
NONFAT DRY MILK							
EXTRA GRADE	$1.0100 (N.C.)	$1.0100 (N.C.)	$1.0100 (N.C.)	$1.0100 (N.C.)	$1.0100 (N.C.)	N.C.	$1.0100 (N.C.)
GRADE A	$1.0500 (N.C.)	$1.0500 (N.C.)	$1.0500 (N.C.)	$1.0500 (N.C.)	$1.0500 (N.C.)	N.C.	$1.0500 (N.C.)
BUTTER							
GRADE AA	$1.4950 (N.C.)	-----	$1.5100 (+.0150)	-----	$1.5000 (-.0100)	+.0050	$1.5017 (-.0008)

*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM

CHICAGO MERCANTILE EXCHANGE

Trading Activity - June 7 - 11, 1999

MONDAY, JUNE 7, 1999

CHEESE -- SALES: 1 CAR BARRELS @ $1.2775; 8 CARS 40# BLOCKS @ $1.2975; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
BUTTER -- SALES: NONE; BIDS UNFILLED: 4 CARS GRADE AA: 1 @ $1.4700, 1 @ $1.4600, 2 @ $1.4000; OFFERS UNCOVERED: 1 CAR GRADE AA @ $1.5400

TUESDAY, JUNE 8, 1999

CHEESE -- SALES: 10 CARS BARRELS: 4 @ $1.2775, 1 @ $1.2750, 5 @ $1.2775; 8 CARS 40# BLOCKS: 3 @ $1.2975, 5 @ $1.3025; BIDS UNFILLED: 10 CARS 40# BLOCKS: 5 @ $1.3100, 2 @ $1.3075, 2 @ $1.2975, 1 @ $1.2950; OFFERS UNCOVERED: NONE
NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, JUNE 9, 1999

CHEESE -- SALES: 11 CARS BARRELS: 1 @ $1.2750, 1 @ $1.2775, 1 @ $1.2750, 1 @ $1.2775, 1 @ $1.2750, 1 @ $1.2775, 4 @ $1.2750, 1 @ $1.2900; 1 CAR 40# BLOCKS @ $1.3175; BIDS UNFILLED: 7 CARS 40# BLOCKS: 1 @ $1.3325, 3 @ $1.3275, 1 @ $1.3075, 1 @ $1.2975, 1 @ $1.2800; OFFERS UNCOVERED: NONE
NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
BUTTER -- SALES: NONE; BIDS UNFILLED: 3 CARS GRADE AA: 1 @ $1.5100, 2 @ $1.4800; OFFERS UNCOVERED: 1 CAR GRADE AA @ $1.6000

THURSDAY, JUNE 10, 1999

CHEESE -- SALES: 13 CARS BARRELS: 11 @ $1.2900, 2 @ $1.2975; 4 CARS 40# BLOCKS: 1 @ $1.3350, 1 @ $1.3375, 1 @ $1.3500, 1 @ $1.3475; BIDS UNFILLED: 2 CARS BARRELS: 1 @ $1.3075, 1 @ $1.2900; 6 CARS 40# BLOCKS: 1 @ $1.3525, 2 @ $1.3425, 1 @ $1.3300, 1 @ $1.3275, 1 @ $1.3175; OFFERS UNCOVERED: 1 CAR BARRELS @ $1.3200
NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, JUNE 11, 1999

CHEESE -- SALES: NONE; BIDS UNFILLED: 2 CARS BARRELS: 1 @ $1.3150, 1 @ $1.3075; 1 CAR 40# BLOCKS @ $1.3550; OFFERS UNCOVERED: NONE
NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
BUTTER -- SALES: 4 CARS GRADE AA: 3 @ $1.5100, 1 @ $1.5000; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 5 CARS GRADE AA: 1 @ $1.5100, 1 @ $1.5300, 1 @ $1.6000, 1 @ $1.6500, 1 @ $1.6900

BUTTER MARKETS

APRIL BUTTER PRODUCTION

During April, butter production in the United States totaled 106.4 million pounds, 0.6% less than April 1998 and 6.4% less than last month. Production percentage changes from April 1998 for various states are: CA +8.1%, MN -16.2%, NY +23.4%, OR +13.2%, PA +1.4%, WA +10.4%, and WI 1.1%.

NORTHEAST

The market tone is less firm and prices at the CME eased lower in the two trading sessions during the Memorial Day week. The increased offerings of bulk after the price got above $1.50 have had a tempering effect on supply/demand fears. Many people expected a shortage of butter during the summer months and most did put substantial volumes into storage to avoid running out or paying very high prices. Reports indicate that much of the butter was put away in the $l.30-1.45 range. Now that prices are above those levels, a few people are trying to move some of their stock at a profit. Churning activity remains relatively light as Class II cream sales hold at good levels. Demand for print and bulk butter is often slower. Speculators won't purchase bulk at current levels and rising prices do affect retail sales. When moving, bulk continues to sell in the range of 3 - 5 1/2 cents over the CME weekly average.

CENTRAL

The butter market is mixed, although the market undertone is firm. During the past week, the cash butter price at the CME weakened, but at midweek, increased 1 1/2 cents to $1.5100. Fluctuating prices are causing concern for those producers that have inventories. Many are questioning if they should clear some of their inventory and realize profits at this time, or wait until later in the summer when stocks usually are less available. Churning schedules are seasonally active, although in instances, fresh butter is insufficient to meet all needs. Ice cream production continues to absorb increasing volumes of available cream. Overall buying interest for print butter is fairly good. Some "June Dairy Month" butter promotions are occurring at various retail stores which are stimulating butter sales. Food service orders are also fairly active especially in resort and vacation areas as most schools have closed for summer recess and the summer vacation season is in full swing.

WEST

The butter market is unsettled due to price moves both lower and higher at the CME over the past two weeks. Buyers are unsure what direction the market will take next, but demand is generally rated as fair to good. Print orders are strong for both retail and food service. A number of manufacturers, brokers, and end users are releasing some of their inventories as they see opportunities for short term profits. Most feel that the market will firm as we move into the fall season, but they are unsure if there will be some short term weakness before that time. Quite a bit more cream is heading to ice cream manufacturers at this time, both within the region and to other areas. Hence, churning is down at most locations.

WHOLESALE SELLING DIFFERENTIALS, F.O.B. PRODUCING PLANTS, TRUCKLOAD QUANTITIES.

DUE TO A LACK OF CONSENSUS ON THE PART OF PRODUCERS AND BUYERS ABOUT THE BASING POINT FOR BULK BUTTER SALES (PREVIOUS FRIDAY'S CLOSE, PREVIOUS WEEK'S AVERAGE, DATE OF SALE, DATE OF SHIPMENT, ETC.), DAIRY MARKET NEWS IS TEMPORARILY SUSPENDING THE REPORTING OF PREMIUMS OR DISCOUNTS.

NASS DAIRY PRODUCT PRICES

U.S. AVERAGE AND TOTAL POUNDS

WEEK ENDING	CHEESE 40# BLOCKS	CHEESE BARRELS 39% MOISTURE	NDM	BUTTER	DRY WHEY
JUNE 5	1.2250 5,307,955	1.1928 12,651,304	1.0055 19,395,730	1.3630 3,434,108	0.1724 6,258,052

Further data and revisions may be found on the internet at: http://jan.mannlib.cornell.edu/reports/nassr/price/dairy

CHEESE MARKETS

NORTHEAST

Prices for natural cheddar and process items are higher again this week, but closing prices at the CME edged lower during last week's trading. The market tone is mostly steady, but buyers appear a little more cautious after nearly a 10 cent run-up in prices during the last two weeks of May. Production levels remain heavy as milk supplies in the Northeast are at or just past peak levels. Also, schools will soon be closing and more surplus milk is expected to be available. Demand for most types of cheese is fair to good which is helping keep prices higher than expected. June Dairy Month promotions are in full swing and helping retail movement.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	1.3325-1.8200
Cheddar Single Daisies	1.3050-1.8200
Cheddar 40# Block	1.4750-1.6200
Process 5# Loaf	1.5000-1.6500
Process 5# Sliced	1.5200-1.7700
Muenster	1.5125-1.8150
Grade A Swiss Cuts 10 - 14#	2.3500-2.5500

MIDWEST

The cheese market is steady to firm, though with a cautious undertone. Some traders express concern that recent price increases may have stimulated buyers to make more speculative purchases than for actual needs, especially after the record prices paid last year. Current business is seasonally good though extra cheddar and mozzarella continue to be put into storage for later in the year. Process orders continue to be aided by food service promotional activity. As is usual around the peak milk receipt period, most plant operators are hesitant to definitely say whether the peak has been achieved or not until a week or two after the fact and temperatures cool. Many plant operators are also noticing a decline in cheese yields. April total cheese production in selected Midwestern states is: Wisconsin 179.6 million pounds, an increase of 4.8 million pounds (2.7%); Minnesota 59.7 million pounds, up 3.8 million pounds (6.9%); Iowa 21.9 million pounds, up 784,000 pounds (3.7%) and Missouri 13.7 million pounds, up 684,000 pounds (5.3%).

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	1.4625-1.6200
Brick And/Or Muenster 5#	1.6200-1.7625
Cheddar 40# Block	1.5575-2.1150
Monterey Jack 10#	1.7475-2.1150
Blue 5#	1.8925-2.2000
Mozzarella 5 - 6# (Low Moisture, Part Skim)	1.6250-2.2150
Grade A Swiss Cuts 6 - 9#	2.3400-2.6850

MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES	JUNE 7 - 11, 1999
BARRELS*	$1.2775 - 1.3075
	($.0400) (.0100)
40# BLOCKS	$1.2875 - 1.3300
	(-$.0025)

( ) Change from previous week. * If steel, barrel returned.

WEST

Natural and process cheese prices increased moderately after the average increased based on CME trading. A number of Western contacts commented that they did not see as much milk as anticipated over and after the holiday weekend. Some cheese plants are actually out looking for additional milk supplies. Processing solids availability has tightened up rather quickly with some orders being shorted. Current blocks are more available. Through the end of April, total U.S. cheese production has reached 2.60 billion pounds, up 5.1% from the same period in 1998. April output for selected states compared to last year is as follows: California up 12.3%, Idaho up 13.2%, Utah up 27.0%, and Washington down 7.5%. Swiss production in April was down 10.6% from last year at 16.2 million pounds.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	1.4350-1.6900
Cheddar 40# Block	1.4175-1.5575
Cheddar 10# Cuts	1.6075-1.8175
Monterey Jack 10#	1.6275-1.7800
Grade A Swiss Cuts 6 - 9#	2.2900-2.4200

FOREIGN

Domestically produced cheese prices are higher again this week. Prices for imported types are unchanged. Demand is slow to fair and moslty for replacment needs. June Dairy Month promotions at some larger chain stores are helping foreign type cheese sales. Typically, sales of table cheese do slow during the summer months. The recent rebound in CME cheese prices has renewed some interest in imported types for processing.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK IMPORTED	NEW YORK DOMESTIC
Roquefort	5.5000-6.8900	-0-
Blue	2.6400-3.1400	1.6675-2.2775*
Gorgonzola	3.2400-5.9400	2.3225-2.4900*
Parmesan (Italy)	TFEWR	3.0775-3.1075*
Romano (Italy)	2.1000-2.9000	-0-
Provolone (Italy)	3.4400-5.5000	1.6675-1.9525*
Romano (Cows Milk)	-0-	2.8475-5.0725*
Sardo Romano (Argentine)	2.6500-3.2900	-0-
Reggianito (Argentine)	2.6500-3.2900	-0-
Jarlsberg-(Brand)	2.7400-3.1200	-0-
Swiss Cuts Switzerland	-0-	2.3500-2.5500
Swiss Cuts Finnish	2.5900-2.8500	-0-
Swiss Cuts Austrian	2.2500-2.7500	-0-
Edam		
2 Pound	TFEWR	-0-
4 Pound	2.1900-3.0900	-0-
Gouda, Large	2.3900-3.1500	-0-
Gouda, Baby ($/Dozen)		
10 Ounce	27.8000-31.7000	-0-

* = Price change.

WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	CHEESE
06/07/99	19,114	122,196
06/01/99	17,004	121,236
CHANGE	2,110	960
% CHANGE	12	1

Based on the historical relationship of the preliminary U.S. Cold Storage report of April 30 and the selected centers storage report, the expected U.S. holdings as of June 1 are: Butter 125 million pounds plus or minus 2.63%
Cheese 474 million pounds plus or minus 2.83%

FLUID MILK AND CREAM

EAST

Following the announcement of the May BFP, Eastern Milk Market Administrators announced changes to their class prices. The May BFP is $11.26, down $0.55 from March. In all Eastern orders the July Class I & II prices will be $.55 lower than June. The May Class III prices are $0.58 below April in orders 1, 2, and 4, and $0.55 lower in order 36. The May Class III-A is $11.50 in orders 1 & 2, $11.52 in order 4, and $11.62 in all other Eastern orders. The butterfat differential is $0.111. It has been hot and dry over much of the East. New England had record high temperatures over the weekend. In Middle Atlantic, Southeast, and South central states the hot weather has lingered for the past couple weeks and is starting to take its toll on cows and milk production. Contacts report that haulers are consolidating routes as milk output falls. In Florida, the milk flow is falling, but not as fast as some had predicted. Recent rains have moderated nighttime temperatures which, in turn, tends to lessen stress on the cows. Florida milk supplies are in better balance. This week, 56 loads are scheduled to move out of state to a Class I plant, but no milk was cleared to manufacturing facilities. Class I milk demand is seasonally slower as more schools close for the summer. Surplus milk volumes are still heavy as milk production declines are being offset by the extra milk that was moving into school lunch programs. Scattered plant problems did create some temporary surpluses and milk was moved intra-regionally to find outlets. The condensed skim market is fair to good. Demand is fairly brisk, particularly for Class III uses. Prices for condensed skim are unchanged and very competitive with NDM. The fluid cream market is quite strong. Supplies are reported as tight and demand is seasonally good. Prices are generally higher as the CME weekly butter average did increase last week despite lower closing prices during the week. Multiples are mostly unchanged from a week earlier. There were instances where users "imported" cream from California. A contact noted that buying on the West Coast and transporting it to the East Coast was, at this time, more cost efficient than buying it locally. Both hard and soft serve ice cream mix production is in full swing. The hot weather is giving a boost to soft serve and frozen novelty sales. Bottled cream sales are fair to good as strawberry season is reaching the Northeast. Churning activity is often lighter.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, $ PER LB BUTTERFAT

F.O.B. Producing Plants: Northeast	- 1.9533-2.1035
Delivered Equivalent Atlanta	- 1.9232-2.1035 M 1.9833-2.0434
F.O.B. Producing Plants: Upper Midwest	- 1.9833-2.0885

PRICES OF CLASS II CONDENSED SKIM, $ PER LB WET SOLIDS

F.O.B. Producing Plants: Northeast	- .9000-1.1000

MIDWEST

WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
JUNE 4 - 10, 1999	0
PREVIOUS WEEK	0
COMPARABLE WEEK IN 1998	0

Class I demand is steady to generally slower. Additional schools are closing for the summer throughout the region, reducing Class I usage. A total of 20 loads of Wisconsin milk are "direct shipped" to Missouri and are pooled under a Southern federal order to supplement local supplies. These are the first such reported shipments since mid-February and they occurred during the comparable week in 1998. Hot, often humid, and occasionally unsettled weather through much of the region has assisted in lowering milk receipts in most southern sections of the region. In the northern tier of states, most plant operators are still a little reluctant yet to say whether volumes have peaked for the year in case of cooler weather, but a few report loads from the farm are coming in lighter than the previous day or two. Others are reporting level intakes. Product yields are falling, reflecting declines in fat and protein tests. Some extra surplus milk was bounced back into manufacturing channels due to temporary power problems related to localized severe storms. Reported surplus milk prices were generally stronger with prices typically from $0.50 below class up to an offered $0.75 over class by midweek. Cream demand is seasonally strong as ice cream and whipped cream interest are stimulated by recent warmer temperatures. Cream prices reflect recent increases in cash butter prices at the Chicago Mercantile Exchange.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	JUNE 3 - 9	PREVIOUS YEAR
SLAUGHTER COWS	$ 33.50- 43.00	$ 35.00- 39.00
REPLACEMENT HEIFER CALVES	$210.00-265.00	$125.00-160.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	JUNE 3 - 9	PREVIOUS YEAR
SLAUGHTER COWS	$ 33.50- 43.00	$ 34.00- 38.50

WEST

Weather conditions continue to impact milk production across the Southwest. The closing of schools is switching some milk to other class usages, but plants are able to handle any extra milk. In California, cooler than normal temperatures are allowing milk output to hold mostly steady, although noted slightly higher in the north to instances lower in the more southern areas. Plants in the state are handling milk efficiently and reporting few problems. Hotter weather is impacting Arizona and New Mexico. In Arizona, the lack of humidity is allowing for better cow comfort levels and milk is off slightly. New Mexico weather is more humid and milk is coming down at the producer level. Producers are commenting that feed costs generally continue to trend weaker and the quality of new crop hay is very good. Cream prices are trending higher, influenced by the good demand from ice cream producers both within the region and from other areas of the country. Weather conditions have been cooler and wetter than normal in the Pacific Northwest. Milk production remains strong. The real impact has been on alfalfa growth and pastures. Everything is maturing very slowly. Yields are down for the first cutting of hay and it is later than normal. Quality has generally been good unless a scattered shower has caught the hay in the windrow just at the wrong time. Prices are $10-20 per ton higher than anticipated. Frost has been noted this week in some of the hay growing areas of Oregon. Demand for heifers remains strong and prices are holding at levels higher than expected. Some plant managers are wondering if we are at peak levels at this point in time. Temperatures are 10-15 degrees below normal in most of Utah and Idaho and have been that way for the past couple of weeks. The cool conditions have reduced flooding problems in some parts of the region and those areas that were very dry did pick up some much needed rain. The alfalfa and corn crops are growing very slowly. Contacts are stating that the hay harvest may start in the lower elevation and southern parts of the region at the end of this week. Milk receipts were not as heavy as anticipated over the holiday weekend. In fact, some manufacturing plants are looking for and purchasing outside milk for processing.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 06/10/99 and represent FOB Central and Western production areas. Prices represent CL/TL quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL

Prices are again unchanged to lower on a weak market. Some increased buying activity is noted with an anticipation for continued movement when milk production seasonally declines. Improved demand and lower prices are not affecting the current overall light demand. Milk intakes are heavy at consistent levels as milk production tapers with the warm summer weather. Producers attempt to keep inventories current with stocks adequate to fully adequate and building. Production of human food, nonfat dry milk during April 1999 totaled 133.6 million pounds, up 11.6% from April 1998 and 4.0% above March 1999. Month ending stocks, at 136.8 million pounds, are 20.9% above a year ago and 11.5% more than March.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: 1.0000 - 1.0300 MOSTLY: 1.0100 - 1.0150

DRY BUTTERMILK - CENTRAL

Prices remain unchanged on a weak market. With an increased interest in cream and a reduction in some churning schedules, buttermilk is in a better market position. Moving condensed is still preferred over utilizing expensive dryers. Offerings have been noted below the range while less than trucklot orders have been traded above the range. Aged product is readily available at a discount. Demand is slow with continued anticipation for improved ice cream interest. Inventories are adequate to fully adequate and building. Dry buttermilk production during April 1999 totaled 5.0 million pounds, down 1.6% from April 1998 and 6.3% lower than March 1999. Month ending stocks, at 6.7 million pounds, are 15.8% above last year and 9.6% higher than last month.

BUTTERMILK: .6800 - .7400

DRY WHEY - CENTRAL

Prices are unchanged to higher on a steady market. Most trade is occurring at the average with less movement at the lower end of the range. Domestic and export demand is fair to good. Hot weather and limited Grade A production is encouraging trade. Supplies are mostly adequate to instances tight dependent upon manufacturer location and the percentage of producer sales based on contract. Condensed product is less burdensome although still plentiful for the limited interest. Most dryers are operating at capacity levels. Production of human food, dry whey during April 1999 totaled 92.0 million pounds, 2.0% more than April 1998 but 3.5%below March 1999. Month ending stocks, at 53.6 million pounds, are 78.3% above a year ago and 15.4% more than March 1999.

NONHYGROSCOPIC: .1550 - .1875 MOSTLY: .1675 - .1775

ANIMAL FEED WHEY - CENTRAL

Prices are unchanged on all feed items on a steady to weak market. Defective product is readily available below the range. While hog prices climb, demand for feed whey remains light. Year to date calf slaughter in the U.S. is down 13% compared to the same period last year. Production of animal feed dry whey during April 1999 totaled 5.8 million pounds, 33% lower than a year ago and 12.3% less than March 1999. Month ending stocks, at 8.8 million pounds, are 76.8% above a year ago and 44.5% higher than last month.

MILK REPLACER:	.1400 - .1675
STANDARD:	TFEWR
ROLLER GROUND:	.1675 - .1825
DELACTOSE (Min. 20% protein):	.2600 - .3150

LACTOSE - CENTRAL AND WEST

Prices are unchanged to higher on a firm market. Negotiations on contracts for the third quarter and beyond have begun. Export movement is best on the Asian market. Some contacts speculate that the dioxin scare in Europe may encourage more lactose purchases from U.S. markets. Due to contracted sales, some producers are sold out and cannot meet spot demand interest. Production is at capacity with inventories adequate to tight. Some traders suspect as the price rises, feed buyers will begin to divert their interest to a less expensive source. Domestic, edible, and feed demand remains strong. The bulk of all trades is edible 60-100 mesh. Lactose production during April 1999 totaled 40.7 million pounds, up 1.0% from April 1998 but 4.6% below March 1999. Month ending stocks, at 28.5 million pounds, are 3.6% higher than a year ago and 9.8% above last month. Production totals for selected regions with changes from 1998 include: East North Central, 9.5 million pounds, 2.3%; West North Central, 14.7 million pounds,-12.5%; West, 14.5 million pounds, 16.1%.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .1600 - .2300 MOSTLY: .1675 - .1775

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are unchanged on a weak market. Condensed product is moving well into feed channels tightening the burdensome supply. Traders do not anticipate any major changes in the dry WPC market until interest in animal feed improves. Off grade product is readily available for the light interest. Offerings are noted below the average. Inventories are adequate to ample. Movement is best into process cheese and on Grade A product. Production of human food WPC during April totaled 25.5 million pounds, up 26.6% from April 1998 but 8.2% below March 1999. Manufacturers' end-of-month stocks totaled 18.3 million pounds, 55.8% higher than a year ago but 7.1% below last month.

EXTRA GRADE 34% PROTEIN: .3800 - .4800 MOSTLY: .4500 - .4700

NONFAT DRY MILK - WEST

The nonfat dry milk market remains dull. Low/medium heat prices are mixed for the range, but the majority of transactions are reflected in the steady mostly price range. Buying interest is mainly limited to fill-in needs on a spot basis as buyers see little upward potential. DEIP orders are being filled by producers in the region, but the volumes and time frames are providing no firmness to the market. Drying schedules are holding heavy as milk production remains at or near peak levels. Current stocks remain heavy. During the week of May 31 - June 4, CCC net purchases totaled 11,945,993 pounds of NDM. High heat prices are unchanged in limited trading. Offerings and sales are in close balance. Production levels are limited. Stocks are generally light. U.S. NDM production in April totaled 133.6 million pounds, up 11.6% from last year and 4.0% more than last month. Stocks at the end of March were reported at 136.8 million pounds, up 20.9% from last year and 11.5% higher than last month. April production in California totaled 60.6 million pounds, up 29.2% from last year, and Washington output totaled 15.0 million pounds, up 17.0% from a year ago.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT:	.9750 - 1.0200	MOSTLY: .9800 - 1.0100
HIGH HEAT:	1.0200 - 1.0400	

DRY BUTTERMILK - WEST

Prices are mostly steady, while the market tone continues to be relatively weak. Buying interest remains light with interest fair for condensed buttermilk. Drying schedules are trending lower, often the result of less butter being churned. Stocks are moderate to heavy, but are not building. U.S. buttermilk powder production in April totaled 5.0 million pounds, down 1.6% from last year and 6.3% lower than March. Stocks at the end of the month were reported at 6.7 million pounds, up 15.8% from a year earlier and 9.6% above March.

BUTTERMILK: .6300 - .7000 MOSTLY: .6400 - .6600

DRY WHEY - WEST

Prices for Western whey powder are holding steady. Sales activity has improved over the past week. Additional loads of powder are leaving the region. Production of powder remains seasonally heavy. Contacts are waiting for the results of the tender to the Far East that will be announced this week. The consensus seems to be that much of the powder will be sourced from the U.S. Part of the reason is the dioxin scare in some countries of Western Europe. Importers have placed partial embargoes on shipments from selected countries. Cumulative U.S. whey output for the first four months of the year totals 386.3 million pounds, down 1.3% from the same period in 1998.

NONHYGROSCOPIC: .1600 - .1800 MOSTLY: .1650 - .1700

CALIFORNIA MANUFACTURING PLANTS

The weighted average price for Extra Grade and Grade A Nonfat Dry Milk for the seven day period ended June 4, on powder sales of 9,610,398 pounds f.o.b. California manufacturing plants was $1.0061 per pound. This compares to 12,920,649 pounds at $1.0046 for the previous week ending May 28, 1999. Prices for both periods were influenced by the effect of long-term contract sales. Compiled by the Dairy Marketing Branch, California Department of Food and Agriculture.

NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

NONFAT DRY MILK - NORTHEAST AND SOUTHEAST

Prices and the market tone are unchanged. Production levels are generally steady. Surplus milk supplies are increasing as schools recess for summer, but improved sales of condensed skim are easing drying schedules. Some plants are now able to make some high heat powder. Demand for NDM is steady and lackluster. Prices at the low end of the low heat range are commonplace and spot interest is often for replacement volumes. Some DEIP sales are being made as exporters procure powder to meet their bid acceptances. Production of human food, nonfat dry milk during April 1999 totaled 133.6 million pounds, up 11.6% from April 1998 and up 4.0% from March 1999. Month ending stocks, at 136.7 million pounds, are 20.9% above a year ago and 11.5% more than a month ago.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:		
LOW/MEDIUM HEAT:	1.0000 - 1.0400	MOSTLY: 1.0100 - 1.0300
HIGH HEAT:	1.0400 - 1.1100	MOSTLY: 1.0400 - 1.0600
DELVD SOUTHEAST:		
ALL HEATS:	1.0300 - 1.1300	

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are mostly unchanged and the market tone is not as weak as it has been. Production levels are down at most plants as churning is slower and demand for liquid buttermilk improves. Plant stocks are in better balance and demand is fair to good. Dry buttermilk production during April 1999 totaled 5.0 million pounds, down 1.6% from April 1998 and 6.3% less than March 1999. Month ending stocks, at 6.7 million pounds, are 15.8% more than a year ago and 9.6% more than last month.

F.O.B. NORTHEAST:	.6800 - .7300
DELVD SOUTHEAST:	.7100 - .7650

DRY WHOLE MILK - NATIONAL

Prices are unchanged to higher. Some California producers have moved their prices higher in response to the increasing butter prices. The market tone is steady. Production is generally light. Spot domestic demand is slow to fair and export interest is unchanged. Dry whole milk production during April 1999 totaled 9.0 million pounds, down 20.1% from April 1998 and 6.0% below March 1999. Month ending stocks, at 5.3 million pounds, are 21.1% below a year ago and 17.9% less than last month.

F.O.B. PRODUCING PLANT: 1.2000 - 1.4500

DEIP BID ACCEPTANCE SUMMARY $

JULY 1, 1998 THROUGH JUNE 4, 1999
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	-- 125,218	MT# (276,055,603 LBS)
CHANGE	-- 705	MT (1,554,243 LBS)
WHOLE MILK POWDER	-- 5,324	MT* (11,737,290 LBS)
CHEESE	-- 3,031	MT (6,682,143 LBS)
BUTTERFAT	-- 395	MT (870,817 LBS)

Allocations for the DEIP year beginning July 1, 1998, are: Nonfat dry milk - 84,212 MT*; Whole Milk Powder - 5,003 MT*; Cheese - 3,350 MT; Butterfat - 29,854 MT; Reallocated nonfat dry milk - 26,258 MT* and 20,000 MT; Reallocated whole milk powder -7,500 MT; Reallocated cheese - 1,270 MT.

* Current program-year allocations and reallocations have been filled.

FAS has combined NDM current program and reallocated tons. The three nonfat dry milk componets total 130,470 MT.

CORRECTION: Last week's NDM total should have been 124,513 MT.

$ Last week's DEIP Bid Acceptance Summary was for the period July1, 1998 - May 28, 1999.

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are steady to fractionally higher. The market tone is a little firmer and producers are no longer offering price discounts to move product. Grade A whey offerings are very tight and some plants are oversold for the next several weeks. Resale loads of Grade A whey are reported to be selling in the $.21+ range. Demand for dry whey is improved now that buyers believe prices won't go any lower and they are looking to make some purchases before prices climb. Producers are holding any extra loads with growing confidence. Production levels are steady to lighter. A plant did have some problems last week and they are now trying to get caught up. Production of human food, dry whey during April 1999 totaled 92.0 million pounds, 2.0% more than April 1998 but 3.5% below March 1999. Month ending stocks, at 53.6 million pounds, are 78.3% above last year and 15.4% more than month ago.

F.O.B. NORTHEAST:	EXTRA GRADE	.1675 - .1750
	USPH GRADE A	.1850 - .2050
DELVD SOUTHEAST:		.1750 - .2100

ANIMAL FEED WHEY - NORTHEAST

Prices are still too few to report. Demand is sluggish, but buyer interest is improving as more buyers may feel that prices are not going to move any lower. Availability is tighter than past weeks. Production of animal feed, dry whey during April 1999 totaled 5.8 million pounds, 33.0% less than a year ago and 12.3% less than March 1999.

F.O.B. NORTHEAST: MILK REPLACER TFEWR

EVAPORATED MILK - NATIONAL

Prices are unchanged. Production levels are moderate to heavy as producers take advantage of the surplus milk that is available in some areas of the country. However, these volumes are starting to decline along seasonal patterns. Demand is fair to good for this time of year. Canned evaporated milk production during April 1999 totaled 39.9 million pounds, 27.7% more than April 1998 and 10.4% more than March 1999. Month ending stocks, at 40.7 million pounds, are 5.2% more than a year ago and 2.4% above last month.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES $22.00 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

CASEIN - NATIONAL

Casein markets remain steady at unchanged prices, although the market undertone is weak. Supplies of both acid and rennet are reported to be readily available on a contracted and spot basis. During March, 4,799,060kg of casein was imported into the United States. This monthly import volume is slightly higher than March 1998, but cumulatively, imports for the first 3 months of 1999 are running 18% behind the same 3 month period last year.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET:	1.8600 - 1.9500
ACID:	1.8400 - 1.9500

COFFEE, SUGAR, & COCOA EXCHANGE (A Subsidiary of the NEW YORK BOARD OF TRADE) AND CHICAGO MERCANTILE EXCHANGE FUTURES

Selected settling prices, (open interest), and volume 1/

Month	05/26	05/27	05/28	05/31	06/01	06/02	06/03	06/04	06/07	06/08
CSCE/NYBT - BFP -- Dollars per cwt.										
MAY 99	11.34 (128) 0	11.34 (128) 0	11.30 (126) 2	NO TRADING	11.35 (126) 1	11.35 (126) 1	11.32 (125) 9			
JUN 99	11.85 (131) 3	11.88 (131) 0	12.18 (130) 4		11.98 (130) 3	11.90 (131) 2	11.73 (131) 1	11.73 (131) 0	11.73 (131) 1	11.78 (131) 0
JUL 99	12.90 (87) 10	12.80 (90) 13	13.13 (91) 6		13.00 (94) 6	12.68 (97) 5	12.43 (97) 1	12.40 (98) 1	12.45 (99) 2	12.66 (99) 4
AUG 99	13.45 (99) 5	13.15 (103) 4	13.15 (108) 6		13.20 (109) 3	13.05 (108) 1	12.85 (108) 0	13.05 (110) 5	13.15 (112) 2	13.35 (113) 5
SEP 99	13.41 (100) 4	13.18 (104) 4	13.25 (105) 1		13.48 (108) 3	13.33 (108) 0	13.15 (109) 1	13.18 (112) 3	13.26 (114) 2	13.38 (114) 1
OCT 99	13.55 (98) 4	13.50 (100) 2	13.43 (100) 0		13.47 (100) 0	13.43 (101) 1	13.23 (102) 1	13.25 (103) 1	13.30 (104) 2	13.48 (104) 0
NOV 99	13.15 (63) 0	13.00 (66) 3	13.10 (67) 1		13.13 (67) 0	13.10 (68) 1	13.00 (69) 1	13.03 (69) 0	13.10 (70) 10	13.25 (70) 0
DEC 99	12.70 (53) 0	12.70 (53) 0	12.68 (53) 0		12.70 (54) 1	12.75 (54) 0	12.70 (55) 1	12.70 (55) 0	12.75 (55) 0	12.80 (55) 0
JAN 00	12.15 (10) 0	12.15 (10) 0	12.15 (10) 0		12.15 (10) 0	12.18 (10) 0	12.18 (10) 0	12.18 (10) 0	12.18 (10) 0	12.18 (10) 0
FEB 00	12.20 (2) 0	12.20 (2) 0	12.18 (2) 0		12.18 (2) 0	12.20 (2) 0	12.20 (2) 0	12.20 (2) 0	12.18 (2) 0	12.18 (2) 0
MAR 00	12.00 (0) 0	12.00 (0) 0	12.00 (0) 0		12.00 (0) 0	12.00 (0) 0	12.00 (0) 0	12.00 (0) 0	12.00 (0) 0	12.00 (0) 0
CME - BUTTER -- Cents per pound										
JLY 99	149.00 (179) 13	158.02 (178) 4	154.10 (178) 4	NO TRADING	155.50 (182) 5	150.50 (181) 4	145.00 (177) 7	147.75 (173) 3	149.70 (174) 9	149.50 (176) 9
SEP 99	151.025 (225) 0	160.02 (225) 0	155.02 (225) 0		156.50 (226) 10	151.50 (226) 0	146.00 (226) 2	149.00 (220) 6	151.00 (216) 4	151.00 (216) 0
OCT 99	148.025 (110) 4	158.02 (110) 2	153.02 (110) 2		153.025 (108) 7	148.025 (108) 0	142.50 (108) 0	145.00 (108) 0	147.025 (108) 0	147.025 (108) 0
CME - BFP -- Dollars per cwt.										
MAY 99	11.33 (784) 2	11.32 (785) 6	11.30 (785) 6	NO TRADING	11.35 (781) 2	11.34 (783) 9	11.33			
JUN 99	11.80 (887) 68	11.90 (883) 66	12.10 (883) 66		11.95 (877) 71	11.80 (884) 19	11.70 (911) 42	11.78 (922) 28	11.70 (927) 6	11.70 (928) 13
JUL 99	12.94 (858) 32	12.90 (852) 16	13.05 (852) 16		12.97 (868) 43	12.65 (874) 48	12.45 (879) 44	12.45 (885) 18	12.50 (885) 13	12.69 (878) 27
AUG 99	13.36 (730) 30	13.09 (728) 4	13.20 (728) 4		13.17 (735) 34	12.91 (738) 39	12.87 (748) 23	13.16 (764) 49	13.11 (766) 5	13.30 (776) 18
SEP 99	13.38 (488) 15	13.20 (492) 6	13.30 (492) 6		13.49 (494) 14	13.30 (503) 18	13.20 (513) 17	13.25 (526) 18	13.26 (526) 0	13.31 (528) 2
OCT 99	13.55 (412) 24	13.40 (411) 10	13.43 (411) 10		13.43 (413) 5	13.34 (413) 7	13.20 (422) 19	13.30 (433) 14	13.29 (435) 6	13.45 (443) 8
NOV 99	12.99 (306) 5	12.95 (306) 2	13.00 (306) 2		13.00 (306) 0	13.00 (315) 10	12.95 (320) 4	12.97 (318) 2	13.16 (333) 29	13.29 (334) 6
DEC 99	12.70 (166) 6	12.70 (167) 3	12.70 (167) 3		12.75 (169) 3	12.75 (179) 11	12.70 (179) 2	12.70 (179) 0	12.75 (204) 14	12.81 (205) 3
JAN 00	12.20 (61) 0	12.13 (61) 0	12.13 (61) 0		12.15 (62) 1	12.20 (64) 7	12.20 (64) 0	12.20 (64) 0	12.20 (66) 5	12.22 (74) 8
FEB 00	12.16 (32) 4	12.14 (32) 0	12.14 (32) 0		12.14 (32) 0	12.20 (37) 5	12.18 (37) 0	12.10 (37) 2	12.14 (38) 1	12.20 (41) 5
MAR 00	12.00 (7) 0	12.00 (7) 0	12.00 (7) 0		12.00 (7) 0	11.95 (9) 2	11.95 (9) 0	11.95 (9) 0	12.00 (10) 1	12.00 (10) 0
APR 00	11.80 (2) 0	11.80 (2) 0	11.80 (2) 0		11.80 (2) 0	11.80 (2) 0	11.80 (2) 0	11.80 (2) 0	11.80 (2) 0	11.80 (2) 0

1/ At the CSCE/NYBT Open interest for BFP -- 100,000 pounds per contract. At the CME Open interest for BFP -- 200,000 pounds per contract.
For more detailed information, you may call our automated voice system at 608-224-5088 or the CSCE=s Soft Fax at 212-742-6111.

NOTE: The CME started futures trading for dry whey and nonfat dry milk (NDM) on November 16, 1998. Up to this point, there have been no settling prices recorded for either product.

INTERNATIONAL DAIRY MARKET NEWS

Information gathered May 31 - June 11, 1999

Prices are U.S. Dollars per MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

WESTERN AND EASTERN EUROPE

OVERVIEW: WESTERN EUROPE: Milk production patterns throughout most of Western Europe remains strong. Some areas still are realizing seasonal increases, while other regions indicate peak production is at hand and even some slight declines from seasonal high levels. Strong milk production is providing fully sufficient volumes of milk to maintain heavy production schedules of manufactured dairy products. Butter stocks continue to clear to PSA with reports indicating heavy volumes at this time. Skim milk powder also continues to clear to intervention, but lighter clearances are occurring than previously anticipated. The recent report of contaminated feed (high dioxin levels), especially in the poultry industry, is now also affecting the dairy industry. Most countries have closed their borders in relation to food product traffic sourced from certain countries until the problem is located, remedied, and once again certified clean. A strong U.S. dollar, but of more significance, a weak Euro is giving a competitive edge to European produced dairy products on the international market, although the feed contamination situation is slowing immediate movement at this time. Recently, clearances of whole milk powder have improved especially to Northern Africa with some destined for New Zealand.

BUTTER/BUTTEROIL: European butter markets are generally steady, although prices are unchanged to slightly firmer. Butter production is seasonally active throughout Europe as milk production is at of very near seasonal peak levels. International sales activity is slow and unaggressive, thus offerings to PSA are heavy. Most sales activity is to nearby countries, but the recent feed contamination situation has limited actual movement at this time.

82% BUTTERFAT:	1,350 - 1,590
99% BUTTERFAT:	1,650 - 1,800

SKIM MILK POWDER (SMP): Skim milk powder markets are generally steady with prices unchanged and centering around intervention levels. For the most part, stocks are fully sufficient for slow international buyer interest with clearances continuing to intervention. Intervention clearances are lighter than many producers and handlers anticipated, especially in light of slow sales activity.

1.25% BUTTERFAT:	1,200 - 1,300

WHOLE MILK POWDER (WMP): Whole milk powder markets are generally steady at unchanged prices. Whole milk powder is the most active manufactured dairy product at this time. Sales into Northern Africa and some to New Zealand are being reported out of Europe. At this point, once an order is placed, powder is generated and clears the sourcing country, thus minimal volumes are awaiting future sales.

26% BUTTERFAT:	1,420 - 1,460

SWEET WHEY POWDER: Edible whey markets are steady at unchanged prices. International sales activity is slow and unaggressive. Whey stocks are sufficient for potential buyer interest should it develop. A Japanese tender is soon to be announced and European traders are awaiting the outcome. Animal feed demand is cautious this week since the report of high dioxin contaminated feed in Europe surfaced.

NONHYGROSCOPIC:	400 - 500

OVERVIEW: EASTERN EUROPE: Milk production patterns remain positive in Eastern European countries as seasonal production continues to build. Manufactured dairy product inventories range from in close balance for needs to readily available for potential buyer interest. The contaminated feed situation is also limiting dairy product movement at this time.

OCEANIA

OVERVIEW: The milk production season in the Oceania region has now basically ended. Production trends during the year are much the same at years end. Australian reports indicate a 6 - 7% increase over last year with New Zealand statistics reporting a decline of 4 - 5%. Stocks of manufactured dairy products are generally in balance with projected needs. Oceania traders are comfortable with stock levels in relation to known sales during the upcoming winter months. Additional stock availability for potential spot buyer interest varies depending on what products are being sought. For the most part, Oceania traders feel that they will not be a significant source if international buyer interest develops during the upcoming winter season. Oceania traders continue to monitor the U.S. activity since the reallocations of about 50,000 mt of various dairy products was announced.

BUTTER: Oceania butter markets are generally steady with prices unchanged. Outside of regular/ongoing buying interest, international sales activity is slow and unaggressive. Stocks of butter in Australia and New Zealand are reported to be sufficient for regular sales, but limited for significant new buyer interest. Traders are basically comfortable with stock levels in light of slow sales potential.

82% BUTTERFAT:	1,100 - 1,500

CHEDDAR CHEESE: Oceania cheese markets are steady to weak, although prices are basically unchanged. Readily available stocks and lower offering prices for cheese in other areas of the world are being attributed to the weak market tone. Stock levels are reported to be sufficient to meet ongoing/regular buyer interest. Oceania traders indicate that stocks levels are comfortable for projected winter sales activity.

39% MAXIMUM MOISTURE:	1,750 - 1,820

SKIM MILK POWDER (SMP): Skim powder markets and prices are generally steady. Milk production has basically ended in the Oceania region, thus sales are being filled with inventoried product. For the most part, stocks are reported to be sufficient for ongoing sales activity with minimal volumes available for new buyer interest. Oceania traders are monitoring the export activity out of the United States following the recent reallocation of about 45,000 mt of skim milk powder under their DEIP program. For the most part, should significant buyer interest develop, Oceania traders indicate that they will probably be out of the international skim milk powder market during their upcoming winter months.

1.25% BUTTERFAT:	1,225 - 1,325

WHOLE MILK POWDER (WMP): Whole milk powder markets and prices are much the same as past weeks. Stock levels are reported to be sufficient to maintain ongoing/regular sales activity. The Oceania milk production season has now ended, thus potential new sales activity would have to be filled from low uncommitted inventories. Due to low spot availability, Oceania traders indicate that they would not be able to take care of significant new buyer interest.

26% BUTTERFAT:	1,350 - 1,550

Exchange rates for selected foreign currencies: June 7, 1999

.4669 Dutch Guilder	.5261 German Mark
.1569 French Franc	.5327 New Zealand Dollar
.1058 Mexican Peso	.6598 Australian Dollar
1.5988 British Pound	.0083 Japanese Yen
.2502 Polish Zloty	1.0289 Euro

To compare the value of 1 US Dollar to Mexican Pesos: (1/.1058) = 9.4517. That is 1 US Dollar equals 9.4517 Mexican Pesos.

Source: “Wall Street Journal”

MAY AGRICULTURAL PRICES HIGHLIGHTS

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in May 1999 advanced 1 point to 117. Compared with May 1998, the index was unchanged. The index of prices received by farmers for dairy products advanced 3 points during the month of May 1999 to 99. Compared with May 1998, the index was down 4 points (3.9 percent).

On a 3.5 percent butterfat basis, prices received by farmers in May with changes from April were: for All Milk, $12.79 per hundredweight (cwt.), up 34 cents; Fluid Grade Milk, $12.79 per cwt., up 33 cents; and for Manufacturing Grade Milk, $11.37 per cwt., down 26 cents.

SELECTED MILK PRICES, COWS AND DAIRY FEED PRICES, SELECTED STATES AND U.S., MAY 1999 WITH COMPARISONS

STATE	All-milk price 1/ 3/				Milk cows 5/		Cows 6/		All hay baled 7/	
	Dollars per cwt.		Dollars per cwt.		Dollars per head		Dollars per cwt.		Dollars per ton	
	APRIL		MAY		MAY		MAY		MAY	
	1999 2/	1998 2/	1999 4/	1998 2/	1999	1998	1999 7/	1998 8/	1999	1998
CA	12.39	12.87	12.14	12.72	PRICES PUBLISHED JANUARY, APRIL, JULY AND OCTOBER		36.20	35.50	103.00	116.00
ID	12.11	12.24	12.17	11.35			34.50	34.60	60.00	80.00
MI	12.60	14.30	12.96	13.71			36.50	36.50	76.00	101.00
MN	12.98	13.14	12.42	12.30			37.50	38.80	67.00	75.00
NY	12.03	13.93	12.66	13.19			---	---	102.00	91.00
OH	12.35	14.13	13.17	13.43			37.00	35.70	98.00	118.00
PA	12.40	14.99	13.82	13.93			36.80	37.70	109.00	131.00
TX	12.40	14.57	12.56	14.07			34.60	33.20	87.00	96.00
WA	12.57	13.80	12.61	13.38			---	---	94.00	114.00
WI	12.38	13.10	12.37	12.12			36.80	37.20	66.00	94.00
U.S.	12.45	13.77	12.79	13.16			33.60	36.40	91.60	103.00

1/ Prices converted to 3.5 percent butterfat. 2/ Partially revised. 3/ Before deductions for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies. 4/ Preliminary. 5/ Animals sold for dairy herd replacement only. 6/ Beef cows and cull dairy cows sold for slaughter. 7/ Mid-month price. 8/ Entire month.

MILK AND OTHER GENERAL PRICE MEASURES, U.S., MAY 1999 WITH COMPARISONS

ITEM	MAY 1998	APRIL 1999 1/	MAY 1999 2/
PRICES RECEIVED BY FARMERS, dol. per cwt., 3.5 percent butterfat:			
All milk	13.16	12.45	12.79
Fluid grade milk	13.16	12.46	12.79
Manufacturing grade milk	11.00	11.63	11.37
INDEX NUMBERS (1990-92=100):			
Prices received by farmers for all farm products	103	96	99
Prices received by farmers for dairy products	102	96	99
Prices paid by farmers for commodities and services, interest taxes, and wage rates	117	116	117
Prices paid by farmers for production items	116	113	113
Prices paid by farmers for feed	112	102	104
MILK FEED PRICE RATIO: Pounds of 16% Mixed Dairy Feed equal in value to one pound of milk 3/	2.71	2.97	2.94

1/ Partially revised. 2/ Preliminary. 3/ For this data series, the price of the commercial prepared feed is based on current U.S. prices received for corn, soybeans, and alfalfa hay.

SOURCE: "Agricultural Prices," Pr 1 (5/99), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

APRIL 1999 DAIRY PRODUCTS HIGHLIGHTS

BUTTER production was 106.4 million pounds in April, 0.6 percent below April 1998 and 6.4 percent below March 1999. **AMERICAN TYPE CHEESE** production totaled 318.6 million pounds, 10.6 percent above April 1998 and 0.8 percent above March 1999. **TOTAL CHEESE** output (excluding cottage cheese) was 672.6 million pounds, 5.2 percent above April 1998 but 2.8 percent below March 1999. **NONFAT DRY MILK** production, for human food, totaled 133.6 million pounds, 11.6 percent above April 1998 and 4.0 percent above March 1999. **DRY WHEY** production, for human food, was 92.0 million pounds, 2.0 percent above April 1998 but 3.5 percent below March 1999. **ICE CREAM** (hard) production totaled 75.2 million gallons, 7.6 percent below April 1998 and 0.4 percent below March 1999.

PRODUCTION OF DAIRY PRODUCTS

PRODUCT		APR 1999 1,000 LBS.	PERCENT CHANGE FROM: APR 1998	MAR 1999	YEAR TO DATE 1/
BUTTER		106,426	-0.6	-6.4	4.1
CHEESE					
AMERICAN TYPES 2/	*	318,606	10.6	0.8	7.5
CHEDDAR		257,484	11.0	1.3	7.5
SWISS		16,246	-10.6	-5.9	---
BRICK & MUENSTER		7,377	-14.1	-5.8	---
CREAM & NEUFCHATEL		49,045	-1.5	-6.7	---
BLUE		4,761	22.1	5.1	---
HISPANIC		6,978	2.6	-11.7	—
MOZZARELLA		210,729	6.2	-4.8	7.3
OTHER ITALIAN TYPES		48,806	-11.5	-9.8	-5.6
TOTAL ITALIAN TYPES		259,535	2.4	-5.8	4.4
ALL OTHER TYPES		10,032	-2.3	0.8	---
TOTAL		672,580	5.2	-2.8	5.1
COTTAGE CHEESE, CURD 3/		38,483	-0.3	-4.2	---
COTTAGE CHEESE, CREAMED 4/		30,844	1.6	1.2	-4.1
COTTAGE CHEESE, LOWFAT 5/		29,626	-3.7	-13.6	-0.4
CANNED EVAPORATED & CONDENSED					
WHOLE MILK		39,910	27.7	10.4	---
DRY WHOLE MILK		8,976	-20.1	-6.0	---
NONFAT DRY MILK, HUMAN FOOD	6/	133,620	11.6	4.0	15.9
DRY SKIM MILK, ANIMAL FEED		396	-21.7	-12.0	---

PRODUCT	APR 1999 1,000 LBS.	PERCENT CHANGE FROM: APR 1998	MAR 1999	YEAR TO DATE 1/
DRY BUTTERMILK	5,024	-1.6	-6.3	---
YOGURT (PLAIN AND FLAVORED)	137,852	5.0	-13.9	---
CONDENSED WHEY, SOLIDS CONTENT 7/				
SWEET-TYPE, HUMAN FOOD	7,173	-34.9	0.4	---
SWEET-TYPE, ANIMAL FEED	1,416	-23.4	-13.4	---
DRY WHEY PRODUCTS				
DRY WHEY, HUMAN FOOD	91,981	2.0	-3.5	---
DRY WHEY, ANIMAL FEED	5,809	33.0	-12.3	---
REDUCED LACTOSE AND MINERALS				
HUMAN FOOD	8,460	28.5	10.7	---
ANIMAL FEED	2,610	2.6	-4.9	
LACTOSE, HUMAN FOOD & ANIMAL FEED	40,656	1.0	-4.6	---
WHEY PROTEIN CONCENTRATE				
HUMAN FOOD	25,450	26.6	-8.2	---
ANIMAL FEED	3,810	16.2	5.6	---
FROZEN PRODUCTS	1,000 GALLONS	PERCENT CHANGE FROM:		
ICE CREAM (HARD)	75,229	-7.6	-0.4	-5.7
ICE CREAM, LOWFAT (HARD)	8,798	-4.2	-6.3	---
ICE CREAM, LOWFAT (SOFT)	22,528	-20.8	5.4	---
ICE CREAM, LOWFAT (TOTAL)	31,326	-16.8	1.8	-14.9
SHERBET (HARD)	4,724	3.0	1.2	-1.1
YOGURT	8,990	11.6	2.0	7.2

MANUFACTURERS' STOCKS, END OF MONTH 8/

PRODUCT	APR 1999 1,000 LBS.	PERCENT OF: APR 1998	MAR 1999
DRY WHEY PRODUCTS			
DRY WHEY, HUMAN FOOD	53,616	78.3	15.4
DRY WHEY, ANIMAL FEED	8,840	76.8	44.5
REDUCED LACTOSE & MINERALS--HUMAN & ANIMAL 9/	12,276	46.5	5.3
LACTOSE, HUMAN FOOD & ANIMAL FEED	28,547	3.6	9.8
DRY BUTTERMILK, TOTAL	6,666	15.8	9.6

PRODUCT	APR 1999 1,000 LBS.	PERCENT OF: APR 1998	MAR 1999
WHEY PROTEIN CONCENTRATE			
HUMAN FOOD	18,311	55.8	-7.1
ANIMAL FEED	2,091	50.1	33.0
CANNED EVAPORATED & CONDENSED WHOLE MILK	40,726	5.2	2.4
DRY WHOLE MILK	5,263	-21.1	-17.9
NONFAT DRY MILK FOR HUMAN FOOD	136,769	20.9	11.5
DRY SKIM MILK FOR ANIMAL FEED	1,629	66.9	0.2

1/ 1999 cumulative as percent change of 1998 cumulative. 2/ Whole milk cheese, including Cheddar, colby, washed curd, stirred curd, monterey and jack. 3/ Mostly used for processing into creamed or lowfat cottage cheese. 4/ Fat content 4 percent or more. 5/ Fat content less than 4 percent. 6/ Includes combined Minnesota and Wisconsin production of 2,117,000 lbs. 7/ Final marketable product only. Does not include quantity used or shipped to another plant for further processing into dry whey or modified whey products. 8/ Stocks held by manufacturers at all points and in transit. 9/ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations. *Includes combined Minnesota and Wisconsin production of 138,780,000 lbs.

SOURCE: "Dairy Products," Da 2-6 (6-99), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

Federal Milk Order Reform Final Decision: Product Price Averages

The National Agricultural Statistics Service (NASS) began collecting, in September 1998, weekly prices and volume traded for butter, nonfat dry milk and dry whey. Monthly and two-week averages of these new price series, along with those already collected for cheese, will be used in the Federal milk order Final Decision pricing formulas. Listed below are these averages for the time period September 1998 to date. This table will be updated on a monthly basis as the data become available.

Year and Time Period	Product Price Averages 1/ For:									
	Class I/II					Class III/IV				
	Weeks ending	Butter	Cheese	Nonfat dry milk	Dry Whey	Weeks ending	Butter	Cheese	Nonfat dry milk	Dry Whey
		Dollars per pound					Dollars per pound			
1998										
Sep	9/4,11	2.5918	1.5842	1.0466	0.2624	9/4,11,18,25	2.6726	1.6260	1.0518	0.2637
Oct	10/9,16	2.4828	1.7597	1.0705	0.2563	10/2,9,16,23	2.5081	1.7607	1.0732	0.2544
Nov	11/6,13	2.0889	1.8269	1.0745	0.2426	10/30,11/6,13,20,27	1.9260	1.8278	1.0745	0.2425
Dec	12/4,11	1.3049	1.8552	1.0834	0.2450	12/4,11,18,25	1.3563	1.8643	1.0864	0.2436
1999										
Jan	1/9,16	1.4165	1.8198	1.0715	0.2213	1/2,9,16,23,30	1.4154	1.7225	1.0637	0.2137
Feb	2/6,13	1.2957	1.2824	1.0411	0.1909	2/6,13,20,27	1.2984	1.2925	1.0359	0.1897
Mar	3/6,13	1.3437	1.3056	1.0180	0.1913	3/6,13,20,27	1.3019	1.3064	1.0169	0.1917
Apr	4/10,17	1.0032	1.3154	1.0056	0.1842	4/3,10,17,24	1.0160	1.3126	1.0071	0.1845
May	5/8,15	0.9960	1.2639	1.0055	0.1748	5/1,8,15,22,29	1.0781	1.2499	1.0069	0.1739

1/ These averages are the average of the applicable weekly prices weighted by the sales volume for the week. See the columns labeled “weeks ending” for applicable weeks. The most recently released information for the week will be used. Once an average price has been computed, it will not be revised even if NASS issues revised data for a week used to compute the average. However, for the period September-December 1998, as NASS was developing the three new price series, these averages were changed to include revisions issued after the average’s scheduled computation date.

Federal Milk Order Reform Final Decision: Comparison of Class I Mover and Class Prices to Current Pricing Provisions

The Federal milk order reform Final Decision carried a table that compared class prices calculated under the current pricing provisions to those computed using the formulas in the Final Decision for the period January 1994 through December 1998. Listed below is this table updated for January 1999 to date. Please note that the Class I price mover section has been changed as described in the footnote. Also, as it was stated in the Final Decision, this price information is shown for informational purposes only and should not be interpreted as the actual prices that would have occurred had the new pricing provisions been in effect.

Year and Month	Class I Mover 1/		Class II Price		Class III Price		Class III-A/IV Price	
	Current	Final	Current	Final	Current	Final	Current	Final
1999	Dollars per cwt.							
January	16.84	17.44	17.14	14.31	16.27	15.85	13.12	13.45
February	17.34	16.90	17.64	13.72	10.27	11.35	12.78	12.71
March	16.27	12.74	16.57	13.47	11.62	11.51	12.36	12.56
April	10.27	12.75	10.57	12.05	11.81	11.64	11.06	11.26
May	11.62	11.67	11.92	12.21	11.26	10.91	11.62	11.53
June	11.81	11.16						

1/ In the Final Decision, these figures were shown for the month which contained the prices used to compute the applicable price mover; that is, for December 1998, the figures of $17.34 and $17.44 were derived from December product price information. However, because of advance pricing, the figures for December 1998 do not set the Class I prices for December 1998. On this table, the figures are shown for the month for which the Class I price is set. The current Class I mover for January 1999 is the Basic Formula Price for November 1998. The final Class I mover for January 1999 is the figure computed for December 1998.

FEDERAL MILK ORDER MINIMUM CLASS PRICE HIGHLIGHTS

BASIC FORMULA PRICE. The Basic Formula Price for May 1999 is $11.26 per hundredweight at 3.5 percent butterfat. The May Basic Formula Price is the April base month Minnesota-Wisconsin (M-W) price of $11.69 at 3.5 percent minus a change of $-0.43, which is the change in the butter/powder/cheese formula from April to May 1999. The May 1999 Basic Formula Price is $0.55 less than last month and $0.38 more than the May 1998 Basic Formula Price. This Basic Formula Price is the Class III price for May 1999 and is to be used in July 1999 for establishing minimum Class I (fluid use) prices and minimum Class II prices under Federal milk orders. To arrive at the minimum Class I price for each market, a Class I differential, ranging from $1.20 in the Upper Midwest order to $4.18 in the Southeastern Florida order, is added to this basic formula price. To arrive at the minimum Class II price for all markets, a differential of $0.30 is added to this basic formula price. For those orders which adjust blend prices for butterfat contents varying from 3.5 percent, the producer butterfat differential per 0.1 percent butterfat is 1.11 cents. **MILK COMPONENT CONTENTS.** For the April 1999 base month M-W price, the butterfat content was 3.83 percent, protein 3.14 percent, and solids-not-fat 8.59 percent. For the May 1999 Basic Formula Price, the butterfat content was 3.76 percent, protein 3.16 percent, and solids-not-fat 8.61 percent.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT*1/

FEDERAL MILK ORDER MARKETING AREAS 2/	ORDER NUMBER	MAY								JUNE			JULY	
		PRICE PER 100 POUNDS								PRICE PER 100 POUNDS				
		CLASS I		CLASS II		CLASS III		CLASS III-A		CLASS I		CLASS II	CLASS I	CLASS II
		1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1999	1999
		DOLLARS								DOLLARS				
New England (Boston)	1 3/	14.86	16.05	11.92	13.11	11.14	10.76	11.50	13.84	15.05	15.25	12.11	14.50	11.56
New York/New Jersey (NY City)	2 4/	14.76	15.95	12.00	13.19	11.22	10.84	11.58	13.92	14.95	15.15	12.19	14.40	11.64
Middle Atlantic (Philadelphia/ Baltimore/Washington, DC)	4 5/	14.65	15.84	11.92	13.11	11.16	10.78	11.52	13.86	14.84	15.04	12.11	14.29	11.56
Carolina (Charlotte)	5	14.70	15.89	11.92	13.11	11.26	10.88	11.62	13.96	14.89	15.09	12.11	14.34	11.56
Southeast (Atlanta/Birmingham)	7	14.70	15.89	11.92	13.11	11.26	10.88	11.62	13.96	14.89	15.09	12.11	14.34	11.56
Upper Florida (Jacksonville/Tallahassee)	6	15.20	16.39	11.92	13.11	11.26	10.88	---	---	15.39	15.59	12.11	14.84	11.56
Tampa Bay	12	15.50	16.69	11.92	13.11	11.26	10.88	---	---	15.69	15.89	12.11	15.14	11.56
Southeastern Florida (Miami)	13	15.80	16.99	11.92	13.11	11.26	10.88	---	---	15.99	16.19	12.11	15.44	11.56
Michigan Upper Peninsula (Marquette)	44	12.97	14.16	11.92	13.11	11.26	10.88	11.62	13.96	13.16	13.36	12.11	12.61	11.56
Southern Michigan (Detroit)	40 6/	13.37	14.56	11.92	13.11	11.26	10.88	11.62	13.96	13.56	13.76	12.11	13.01	11.56
E. Ohio/W. PA. (Cleveland/Pittsburgh)	36	13.62	14.81	11.92	13.11	11.26	10.88	11.62	13.96	13.81	14.01	12.11	13.26	11.56
Ohio Valley (Columbus)	33	13.66	14.85	11.92	13.11	11.26	10.88	11.62	13.96	13.85	14.05	12.11	13.30	11.56

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT*1/

FEDERAL MILK ORDER MARKETING AREAS 2/	ORDER NUMBER	MAY								JUNE			JULY	
		PRICE PER 100 POUNDS								PRICE PER 100 POUNDS				
		CLASS I		CLASS II		CLASS III		CLASS III-A		CLASS I		CLASS II	CLASS I	CLASS II
		1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1999	1999
		DOLLARS								DOLLARS				
Indiana (Indianapolis)	49	13.52	14.71	11.92	13.11	11.26	10.88	11.62	13.96	13.71	13.91	12.11	13.16	11.56
Chicago Regional	30	13.02	14.21	11.92	13.11	11.26	10.88	11.62	13.96	13.21	13.41	12.11	12.66	11.56
Central Illinois (Peoria)	50	13.23	14.42	11.92	13.11	11.26	10.88	---	---	13.42	13.62	12.11	12.87	11.56
S. Illinois/E. Missouri (Alton)	32	13.54	14.73	11.92	13.11	11.26	10.88	---	---	13.73	13.93	12.11	13.18	11.56
Louisville/Lexington/Evansville	46	13.73	14.92	11.92	13.11	11.26	10.88	11.62	13.96	13.92	14.12	12.11	13.37	11.56
Upper Midwest (Minneapolis)	68	12.82	14.01	11.92	13.11	11.26	10.88	11.62	13.96	13.01	13.21	12.11	12.46	11.56
E. South Dakota (Sioux Falls)	76	13.12	14.31	11.92	13.11	11.26	10.88	---	---	13.31	13.51	12.11	12.76	11.56
Iowa (Des Moines)	79	13.17	14.36	11.92	13.11	11.26	10.88	11.62	13.96	13.36	13.56	12.11	12.81	11.56
Nebraska/W. IA. (Omaha/Sioux City)	65	13.37	14.56	11.92	13.11	11.26	10.88	11.62	13.96	13.56	13.76	12.11	13.01	11.56
Greater Kansas City	64	13.54	14.73	11.92	13.11	11.26	10.88	---	---	13.73	13.93	12.11	13.18	11.56
Southwest Plains (Oklahoma City)	106	14.39	15.58	11.92	13.11	11.26	10.88	11.62	13.96	14.58	14.78	12.11	14.03	11.56
Texas (Dallas)	126	14.78	15.97	11.92	13.11	11.26	10.88	11.62	13.96	14.97	15.17	12.11	14.42	11.56
Eastern Colorado (Denver)	137	14.35	15.54	11.92	13.11	11.26	10.88	---	---	14.54	14.74	12.11	13.99	11.56
Western Colorado (Grand Junction)	134	13.62	14.81	11.92	13.11	11.26	10.88	---	---	13.81	14.01	12.11	13.26	11.56
SW Idaho/Eastern Oregon (Boise)	135	13.12	14.31	11.92	13.11	11.26	10.88	11.43	13.93	13.31	13.51	12.11	12.76	11.56
Great Basin (Salt Lake City)	139	13.52	14.71	11.92	13.11	11.26	10.88	---	---	13.71	13.91	12.11	13.16	11.56
Central Arizona (Phoenix)	131	14.14	15.33	11.92	13.11	11.26	10.88	11.43	13.93	14.33	14.53	12.11	13.78	11.56
New Mexico/West Texas (Albuquerque)	138	13.97	15.16	11.92	13.11	11.26	10.88	11.62	13.96	14.16	14.36	12.11	13.61	11.56
Pacific Northwest (Seattle/Portland)	124	13.52	14.71	11.92	13.11	11.26	10.88	11.43	13.93	13.71	13.91	12.11	13.16	11.56
SIMPLE AVERAGE	---	13.94	15.13	11.92	13.11	11.25	10.87	11.58	13.94	14.13	14.33	12.11	13.58	11.56

* To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63--the approximate number of gallons in 100 pounds of milk. For example, the minimum Class I price in Boston (the New England market) in July 1999 is $14.50 per 100 pounds or $1.25 per gallon ($14.50 divided by 11.63 equals $1.2468).

1/ Note: The mandatory $0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table. This assessment applies to all persons who process and market more than 500,000 pounds of fluid milk products in consumer-type packages in the 48 contiguous States and the District of Columbia during the month.

2/ Names in parentheses are principal cities and pricing points of markets.

3/ Zone 1, Boston. Class I price at 201-210 mile zone--72 cents less.

4/ New York City metropolitan area. Prices at 201-210 mile zone: Class I - 72 cents less, Class II - 8 cents less, Class III - 8 cents less, and Class III-A - 8 cents less.

5/ Prices exclude a 6-cent direct delivery differential applicable to milk delivered to Philadelphia.

6/ Prices exclude a 10-cent direct delivery differential applicable to milk delivered to Detroit metropolitan area.

CCC PURCHASES OF DAIRY PRODUCTS

	FOR THE WEEK OF JUNE 7 - 11, 1999			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/98	SAME PERIOD LAST YEAR	PERIOD ENDING 06/04/99	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfortified	9,077,727	731,251	8,346,476	122,785,633	98,531,860	-0-	-0-
Fortified	118,457	-0-	118,457	118,457	-0-	-0-	-0-
TOTAL	9,196,184	731,251	8,464,933	122,904,090	98,531,860	-0-	-0-

MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF JUNE 7 - 11, 1999 =	1.9	98.5	COMPARABLE WEEK IN 1998 =	2.0	107.8
CUMULATIVE SINCE OCTOBER 1, 1998 =	27.0	1,430.6	CUMULATIVE SAME PERIOD LAST YEAR =	21.7	1,146.9
CUMULATIVE JANUARY 1 - JUNE 11, 1999 =	27.0	1,429.4	COMPARABLE CALENDAR YEAR 1998 =	19.9	1,055.5

* Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22
**Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF JUNE 7 - 11, 1999 (POUNDS)

	BUTTER			CHEESE			NONFAT DRY MILK	
REGION	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-0-	-0-	-0-	533,354	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	7,793,122	118,457
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/98 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT	
REGION	1998/99	1997/98	1998/99	1997/98	1998/99	1997/98	1998/99	1997/98
MIDWEST	-0-	-0-	-0-	-0-	11,092,065	7,897,484	9.0	8.0
WEST	-0-	-0-	-0-	-0-	111,812,025	90,347,473	91.0	91.7
EAST	-0-	-0-	-0-	-0-	-0-	286,543	0.0	0.3
TOTAL	-0-	-0-	-0-	-0-	122,904,090	98,531,860	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 1, 1999

MANUFACTURING MILK: Average Test 3.67% - $9.90 per cwt.; 3.5% - $9.80

DOLLARS PER POUND

BUTTER: Bulk $.6500; 1# Prints $.6800

CHEESE: 40 & 60# Blocks $1.1000; 500# Barrels $1.0700; Process American 5# $1.1525; Process American 2# $1.1925

NONFAT DRY MILK: Nonfortified $1.0100; Fortified $1.0200; Instant $1.1675

Dairy Cow & Total Cow Slaughter under Federal Inspection, by Regions & U.S., for Week Ending 05/22/99 & Comparable Week 1998 1/ 2/

Regions*	1	2	3	4	5	6	7	8	9	10	U.S. TOTAL: WEEK	U.S. TOTAL: SINCE JAN 1	% DAIRY OF ALL: WEEK	% DAIRY OF ALL: SINCE JAN 1
1999-Dairy cows HD (000)	0.3	1.0	5.4	5.9	18.1	1.9	2.7	0.5	9.2	2.5	47.3	997.9	42.0	44.0
1998-Dairy cows HD (000)	0.3	1.4	5.3	4.9	17.6	2.1	2.4	0.9	9.4	3.0	47.4	1,134.8	42.9	48.0
1999-All cows HD (000)	0.3	1.0	7.3	18.3	24.4	15.4	20.7	4.6	13.0	7.4	112.5	2,269.9		
1998-All cows HD (000)	0.3	1.4	7.3	14.9	25.1	18.7	18.1	5.8	12.2	6.9	110.6	2,365.8		

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

1/ States included in regions are as follows: Region 1--ME, NH, VT, CT, MA, and RI; Region 2--NY and NJ; Region 3--DE, PA, WV, VA, and MD; Region 4--KY, TN, NC, SC, GA, AL, MS, and FL; Region 5--MI, OH, IN, IL, WI, and MN; Region 6--TX, OK, NM, AR, and LA; Region 7--IA, NB, KS, and MO; Region 8--MT, WY, CO, UT, ND, and SD; Region 9--CA, NV, AZ, and HA; Region 10--ID, OR, and WA. 2/ Totals may not add due to rounding.

BASIC FORMULA PRICE (BFP), MAY 1995* TO DATE & HISTORIC M-W (3.5% BF, $/CWT.)

YEAR	JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEP.	OCT.	NOV.	DEC.
1994	12.41	12.41	12.77	12.99	11.51	11.25	11.41	11.73	12.04	12.29	11.86	11.38
1995	11.35	11.79	11.89	11.16	*11.12	11.42	11.23	11.55	12.08	12.61	12.87	12.91
1996	12.73	12.59	12.70	13.09	13.77	13.92	14.49	14.94	15.37	14.13	11.61	11.34
1997	11.94	12.46	12.49	11.44	10.70	10.74	10.86	12.07	12.79	12.83	12.96	13.29
1998	13.25	13.32	12.81	12.01	10.88	13.10	14.77	14.99	15.10	16.04	16.84	17.34
1999	16.27	10.27	11.62	11.81	11.26							